

IN THE UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF NEW JERSEY

**HAYDEN GATEWAY LLC and
BLOC DISPENSARY LLC,**

Plaintiffs,

v.

**ADVANCED FLOWER CAPITAL INC.
and AFC AGENT LLC,**

Defendants.

CIVIL ACTION NO. 3:25-CV-02789

**DECLARATION OF
WILLIAM MURRAY III**

1. I am Justice Cannabis Co.'s fractional Chief Financial Officer. I have more than a decade of experience in cannabis finance. I am knowledgeable about Justice's loan with AFC Gamma.
2. On April 17, 2025, AFC Gamma filed a "Shelf Filing" on Form S-3 with the US Securities and Exchange Commission. Specifically, AFC Gamma filed a mixed shelf filing on Form S-3, listing \$1 billion through a potential combination of common stock, preferred stock, debt securities, warrants, rights and units.
3. A Shelf Filing permits an already-registered securities issuer to register and offer for sale a new issue of securities without having to sell the entire issue at once. (The remaining shares in the series are saved, and they remain "on the shelf.")
4. The primary advantage of a Shelf Filing is that it enables an issuer to access markets very quickly, as soon as overnight, with little additional administrative paperwork. That

can allow companies to take advantage of optimal market conditions, for example. It can also allow companies that are dangerously low on cash to get access to cash very quickly.

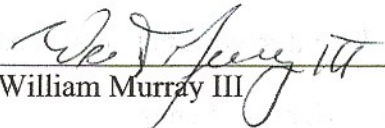
5. The primary disadvantages of a Shelf Filing are that the shares are typically sold at a discount, and the offering of additional shares may harm existing shareholders by diluting their ownership interest. That is particularly true of smaller companies; a Shelf Filing typically signals a dilution.

6. AFC Gamma's current market capitalization is about \$113. The company has approximately 22.6 million shares outstanding, at a current equity value of roughly \$5 per share.

7. The timing of the AFC Gamma's Shelf Filing is significant. The filing was made on Thursday evening, prior to Good Friday, when the markets are closed. That timing could minimize the potential negative effect on its stock price when markets open three days later on April 21. Moreover, in light of recent extreme volatility in the stock market, it is possible that this event will be old news by Monday, and the market will be responding to more current events.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 4/21/25


William Murray III